

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

THE WEDGE CORPORATION,

Plaintiff,

v.

JAY GIGANDET; KIM COCHRAN
GIGANDET, and the marital community
comprised of JAY GIGANDET and
KIM COCHRAN GIGANDET,

Defendants.

No. 3:22-cv-6018

**COMPLAINT FOR BREACH OF
PROMISSORY NOTE**

JURY TRIAL DEMANDED

Plaintiff, The Wedge Corporation (the “Wedge”), alleges as follows:

INTRODUCTION

1. This is an action for breach of contract and monies due arising under the laws of the state of Washington. As set forth below, Defendant Jay Gigandet (“Gigandet”) has breached the material terms of the Promissory Note that was executed by the parties on December 25, 2016 in the amount of \$1,332,476.00.

PARTIES

2. Plaintiff is a Washington corporation with its principal place of business in Pierce County, Washington. The Wedge conducts a substantial amount of business in the state of Washington through its offices located in Sumner, Washington.

3. Defendant Gigandet is the maker of the promissory note at issue. He is also a 40% shareholder of The Wedge. Defendant Gigandet is a resident of California, but was a resident of Washington at substantially all times material hereto. All the acts or omissions alleged to have been taken by Defendant were undertaken on behalf of himself individually and his marital community at that time.

4. Defendant Cochran is former spouse of Defendant Gigandet. Defendant Gigandet and Defendant Cochran-Gigandet's former marital community ended in 2020. She is currently a resident of California with Defendant Gigandet, but used to reside in Washington with Defendant Gigandet. Defendant Cochran-Gigandet continues to conduct substantial business in Washington.

JURISDICTION

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because the parties are diverse and the amount in controversy exceeds \$75,000. The Wedge is a Washington corporation. Defendants Gigandet and Cochran-Gigandet are residents of California at the time of the commencement of this action.

FACTUAL BACKGROUND

6. Plaintiff realleges and incorporates by reference the foregoing allegations as though fully set forth herein.

7. On or about December 25, 2016, Defendant made, executed, and delivered to Plaintiff a Promissory Note dated as of December 25, 2016, in the stated principal amount of One Million Three Hundred Thirty-Two Thousand Four Hundred and Seventy-Six Dollars

1 (\$1,332,476.00) (as amended, restated, or otherwise modified from time to time, the “Note”),
2 plus interest at the rate specified therein, defined as the Blended Applicable Federal Rate of
3 0.73%. A true and correct copy of the Note is attached hereto as Exhibit A and incorporated
4 herein by reference.

5 8. The Note provides for a maturity date of December 31, 2019, at which point all
6 amounts due thereunder became immediately due and payable in full.

7 9. The Note provides that upon maturity, interest shall accrue at the rate of 12%
8 per annum, unless applicable law requires a lower interest rate.

9 10. The Note also provides that if Plaintiff refers the Note to an attorney as the result
10 of any default or breach by Defendant Gigandet, or if Plaintiff brings any action as the result of
11 such default or breach, then Plaintiff is entitled to recover all costs thereof, including reasonable
12 attorney’s fees, whether or not Plaintiff actually commences litigation.

13 11. Defendant Gigandet defaulted on the Note by failing to make the requisite
14 payments when due. Specifically, Defendant Gigandet failed to satisfy the unpaid principal
15 balance, plus all accrued interest and other amounts owing thereunder, at maturity by December
16 31, 2019.

17 12. All amounts owing under the Note bear interest at the pre-default rate of 0.73%
18 until maturity, and then at the post-default rate of 12% per annum from January 1, 2020, until
19 paid in full.

20 13. Defendant Gigandet has received tax and other benefits in connection with the
21 Debt Acknowledgment. As of December 2021, the balance remaining on the Note was
22 \$1,139,189.00.

23 14. On or about July 13, 2020, Defendants’ divorce decree and associated findings
24 and conclusions was entered Wahkiakum County, Washington. Either shortly before, or shortly
25 after, Defendants took up a primary residence in California together. They maintain contacts in

1 Washington to this day. Defendant Cochran-Gigandet is a partial owner of a Washington
 2 company, Lucky Man LLC, and participates in its profitable Washington-based operations.
 3 Upon information and belief, Defendant Gigandet continues to designate Washington as his
 4 state of residence for tax purposes.

5 15. On December 21, 2022, counsel for Plaintiff notified Defendant Gigandet,
 6 through counsel, that Plaintiff was willing to forbear taking action on the Note at this time
 7 provided that Defendant Gigandet executed a Debt Acknowledgment. To date, Defendant
 8 Gigandet has not executed the Debt Acknowledgment, which is attached as Exhibit B. To
 9 protect its interest in full enforcement of the Note, Plaintiff now brings this action.

10 **CAUSES OF ACTION**

11 **Count 1: Breach of Contract**

12 16. Plaintiff repeats and re-alleges each of the foregoing allegations as though full
 13 set forth herein.

14 17. Plaintiff and Defendant Gigandet entered into a valid and enforceable contract
 15 for valuable consideration on or about December 25, 2016 in the amount of \$1,332,476.00, plus
 16 interest at the rate specified therein, defined as the Blended Applicable Federal Rate of 0.73%.
 17 A true and correct copy of the Note is attached hereto as Exhibit A and incorporated herein by
 18 reference.

19 18. The Note provides for a maturity date of December 31, 2019, at which point all
 20 amounts due thereunder became immediately due and payable in full.

21 19. The Note provides that upon maturity, interest shall accrue at the rate of 12%
 22 per annum, unless applicable law requires a lower interest rate.

23 20. The Note also provides that if Plaintiff refers the Note to an attorney as the result
 24 of any default or breach by Defendant Gigandet, or if Plaintiff brings any action as the result of
 25

1 such default or breach, then Plaintiff is entitled to recover all costs thereof, including reasonable
2 attorney's fees, whether or not Plaintiff actually commences litigation.

3 21. Defendant Gigandet defaulted on the Note by failing to make the requisite
4 payments when due. Specifically, Defendant Gigandet failed to satisfy the unpaid principal
5 balance, plus all accrued interest and other amounts owing thereunder, at maturity by December
6 31, 2019. Under RCW 62A.3-304(b)(2), the note became overdue on such date.

7 22. Defendant Gigandet's breach of contract has damaged Plaintiff in an amount
8 exceeding \$75,000, which will be determined at trial, to include unpaid principal, accrued and
9 unpaid interest, attorney's fees and costs, and additional prejudgment interest until the date of
10 judgment. Plaintiff reserves the right to assert any further remedies available to it under
11 Washington common law and Article 3 of Washington's Uniform Commercial Code to the
12 extent applicable.

13 **Count 2: Monies Due**

14 23. Plaintiff repeats and re-alleges each of the foregoing allegations as though full
15 set forth herein.

16 24. Defendant is indebted to Plaintiff for the unpaid principal balance of
17 \$1,332,476.00, plus accrued and unpaid interest, together with attorneys' fees and costs, and
18 additional prejudgment interest at the contractual default rate from January 1, 2020, until the
19 date of judgment.

20 25. Plaintiff is entitled to post-judgment interest on the entire judgment amount at
21 the statutory rate of twelve percent (12%) per annum.

22 **Count 3: Prejudgment Remedies**

23 26. Plaintiff repeats and re-alleges each of the foregoing allegations as though full
24 set forth herein.

25 27. Plaintiff is entitled to prejudgment relief, including, but not limited to, writs of

1 attachment and garnishment against such assets of Defendant as are necessary to satisfy
2 Plaintiff's claims herein.

3 **Count 4: Attorney's Fees and Costs**

4 28. Plaintiff repeats and re-alleges each of the foregoing allegations as though full
5 set forth herein.

6 29. Plaintiff is entitled to its attorneys' fees, costs, and expenses incurred in
7 connection with Defendants' defaults under the Loan Documents.

8 **PRAYER FOR RELIEF**

9 WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

10 A. For judgment against Defendants in the total amount of unpaid principal of no less
11 than \$1,139,189.00, plus accrued and unpaid interest, together with attorneys' fees
12 and costs, and additional prejudgment interest at the contractual default rate from
13 January 1, 2020, until the date of judgment;

14 B. For an order directing the issuance of prejudgment writs of attachment and
15 garnishment against such assets of Defendants as are necessary to satisfy Plaintiff's
16 claim;

17 C. That the total judgment amount bears interest at the statutory rate of twelve percent
18 (12%) per annum on the declining balance from the date of entry of the judgment
19 until paid in full; and

20 D. For such other and further relief as the Court deems just and proper.

21 DATED: December 30, 2022.

22 CORR CRONIN LLP

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